

- House Overrides President's Medicare Veto -

- Veto Would Have Caused 10 Percent Cut in Physician Medicare Payments - Washington, DC

U.S. Rep. John Hall (D-NY19) today helped the House successfully override President Bush's veto of the Medicare Improvements for Patients and Providers Act, legislation that eliminates a pending 10 percent cut in Medicare payments to physicians for the remainder of 2008 and also increases by 1.1 percent Medicare physician payments for 2009. The President's veto of this bill threatens to deny access to Medicare services for millions of seniors and people with disabilities. The House overrode the President's veto today by a vote of 383 to 41, 93 votes above the number required to override a Presidential veto.

"The President's veto of this bill would have fundamentally undermined the Medicare program and prevented Hudson Valley seniors from being able to see their doctors," said Hall.

"Overriding this veto will ensure that seniors continue to have access to the doctors they know and trust."

On June 24, the House passed H.R. 6331, the Medicare Improvements for Patients and Providers Act by a veto-proof margin of 355 to 59. On July 9, the Senate passed the bill and sent it to the President after invoking cloture to proceed to the bill by a veto-proof margin of 69 to 30.

Primarily, the legislation undoes a 10.6 percent cut in Medicare fees to physicians that took effect on July 1. The bill also:

- Ensures active-duty military personnel and military retirees' access to the doctors they know and trust. The Tricare program (the military health care program) uses the Medicare fee schedule to pay doctors. Therefore, when Medicare cuts physicians payments, Tricare physician payments are cut as well – threatening the access of Tricare participants to their doctors.

- Enhances Medicare preventive and mental health benefits. The bill improves Medicare coverage of preventive health care. Specifically, to help beneficiaries identify medical conditions or risk factors early, the bill allows preventive services not currently covered to be added to the program, as long as they are recommended by the U.S. Preventive Services Task Force and approved through regular regulatory channels. In addition, Medicare currently requires a much higher co-payment for mental health services – 50 percent – than the 20 percent required for physical health care services. The bill provides parity in coverage for mental health services by lowering co-payments over six years until they match other co-pays.

- Makes key reforms in Medicare Advantage plans. The Medicare Advantage program is a series of private plans offered as a supplement to traditional Medicare coverage. On average, Medicare Advantage programs are paid at a rate 12% higher than regular fee-for-service Medicare, and some individual plans receive as much as 50% more. This money is not used for increased services or better care; it is pure profit for the insurance companies. The bill: 1) phases out the Indirect Medical Education (IME) double-payment (hospitals would continue to get paid, Medicare Advantage plans would not); 2) eliminates the Medicare Advantage "slush" fund, which is a fund that may be used to further increase payments to private plans; and 3) ensures Private Fee-for-Service (PFFS) plans comply with quality requirements that other Medicare Advantage plans must meet and requires PFFS plans to contract with providers in

certain areas. In addition, the bill includes new prohibitions and limitations on marketing activities permitted by Medicare Advantage and prescription drug plans.

- Is fully paid for and will not increase the deficit.

The Senate is expected to also override the President's veto, marking the third time Congress has undone vetoes during the Bush Administration. All three veto overrides occurred after January 2007 when Congressman Hall took office. -30-